

ASSEMBLY BILL

No. 206

Introduced by Assembly Members Haynes and Levine

January 31, 2005

An act to amend Section 5060 of the Vehicle Code, relating to vehicles.

LEGISLATIVE COUNSEL'S DIGEST

AB 206, as introduced, Haynes. Vehicles: special interest license plates.

Existing law authorizes an organization to apply to the Department of Motor Vehicles to establish a special interest license plate program and the department is required to authorize that participation if the issuance of those plates is required by statute and the organization is tax exempt, submits a financial plan describing the purpose for which certain revenues generated from the sale of the plates will be used, and submits an essential design of the proposed special interest license plate that, among other things, provides for the placement of the number and letter characters in a manner that allows for law enforcement to readily identify those characters.

This bill would instead require the Department of Motor Vehicles to authorize a special interest license plate program under those same conditions. The bill would allow a special interest license plate program established by a statute that is effective on or before January 1, 2006, to continue to be valid.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

SECTION 1. Section 5060 of the Vehicle Code is amended to read:

5060. (a) An organization may apply to the department for participation in a special interest license plate program and the department shall issue special license plates for that program if ~~the issuance of those plates is required by this article;~~ the sponsoring organization complies with the requirements of this section, and the organization meets all of the following criteria:

(1) Qualifies for tax-exempt status under Section 501(c)(3) of the Internal Revenue Code and Section 23701d of the Revenue and Taxation Code.

(2) Submits a financial plan describing the purposes for which the revenues described in paragraph (2) of subdivision (e) will be used.

(3) Submits a design of the organization's proposed special interest license plate that, among other things, provides for the placement of the number and letter characters in a manner that allows for law enforcement to readily identify those characters.

(b) ~~Any~~^A person described in Section 5101 may apply for special interest license plates, in lieu of the regular license plates.

(c) The design criteria for a special interest license plate are as follows:

(1) The license plate for a passenger vehicle, commercial vehicle, or trailer shall provide a space not larger than 2 inches by 3 inches to the left of the numerical series and a space not larger than five-eighths of an inch in height below the numerical series for a distinctive design, decal, or descriptive message as authorized by this article. The plates shall be issued in sequential numerical order or, pursuant to Section 5103, in a combination of numbers or letters.

(2) Special interest license plates authorized under this article may be issued for use on a motorcycle. That license plate shall contain a five digit configuration issued in sequential numerical order or, pursuant to Section 5103, in a combination of numbers or letters. There shall be a space to the left of the numerical series for a distinctive design or decal and the characters shall contrast sharply with the uniform background color. No motorcycle plate containing a full plate graphic design is authorized. Those

particular special interest license plates that were issued prior to the discontinuation provided by this paragraph may continue to be used and attached to the vehicle for which they were issued and may be renewed, retained, or transferred pursuant to this code.

(d) (1) ~~No~~*An* organization ~~may~~ *shall not* be included in the program until not less than 7,500 applications for the particular special interest license plates are received. Each organization shall collect and hold applications for the plates. Once the organization has received at least 7,500 applications, it shall submit the applications, along with the necessary fees, to the department. The department shall not issue any special interest license plate until an organization has received and submitted to the department not less than 7,500 applications for that particular special interest license plate within the time period prescribed in this section. Advanced payment to the department by an organization representing the department's estimated or actual administrative costs associated with the issuance of a particular special interest license plate shall not constitute compliance with this requirement. The organization shall have 12 months, following the *authorization of the department or the* effective date of the enactment of the specific legislation enabling the organization to participate in this program, to receive the required number of applications. If, after that 12 months, 7,500 applications have not been received, the organization shall immediately do either of the following:

(A) Refund to all applicants any fees or deposits that have been collected.

(B) Contact the department to indicate the organization's intent to undertake collection of additional applications and fees or deposits for an additional period, not to exceed 12 months, in order to obtain the minimum 7,500 applications. If an organization elects to exercise the option under this paragraph, it shall contact each applicant who has submitted an application with the appropriate fees or deposits to determine if the applicant wishes a refund of fees or deposits or requests the continuance of the holding of the application and fees or deposits until that time that the organization has received 7,500 applications. The organization shall refund the fees or deposits to any applicant so requesting. In no event shall an organization collect and hold

1 applications for a period exceeding 24 months following the date
2 of authorization as described in paragraph~~(2)~~ (1) of subdivision
3 ~~(a)~~ (d).

4 (C) Sequential plate fees shall be paid for the original
5 issuance, renewal, retention, replacement, or transfer of the
6 special interest license plate as determined by the organization
7 and authorized by department's regulations. Those plates
8 containing a personalized message are subject to the fees
9 required pursuant to Sections 5106 and 5108 in addition to any
10 fees required by the special interest license plate program.

11 (2) (A) If the number of currently outstanding and valid
12 special interest license plates in any particular program provided
13 for in this article is less than 7,500, the department shall notify
14 the sponsoring organization of that fact and shall inform the
15 organization that if that number is less than 7,500 one year from
16 the date of that notification, the department will no longer issue
17 or replace those special interest license plates.

18 (B) Those particular special interest license plates that were
19 issued prior to the discontinuation provided by subparagraph (A)
20 may continue to be used and attached to the vehicle for which
21 they were issued and may be renewed, retained, or transferred
22 pursuant to this code.

23 (e) (1) The department shall deduct its costs to develop and
24 administer the special interest license plate program from the
25 revenues collected for the plates.

26 (2) The department shall deposit the remaining revenues from
27 the original issuance, renewal, retention, replacement, or transfer
28 of the special interest license plate in a fund which shall be
29 established by the Controller.

30 (f) When payment of renewal fees is not required as specified
31 in Section 4000, or when a person determines to retain the
32 special interest license plate upon a sale, trade, or other release of
33 the vehicle upon which the plate has been displayed, the person
34 shall notify the department and the person may retain and use the
35 plate as authorized by department regulations.

36 (g) An organization that is eligible to participate in a special
37 interest license plate program pursuant to this article and receives
38 funds from the additional fees collected from the sale of special
39 *interest* license plates shall not expend annually more than 25
40 percent of those funds on administrative costs, marketing, or

1 other promotional activities associated with encouraging
2 application for, or renewal of, the special *interest* license plates.

3 (h) (1) ~~Every~~*An organization authorized by the department*
4 *under this section, or, on or before January 1, 2006, required by*
5 *specific legislation under this article to offer special interest*
6 *license plates shall prepare and submit an annual accounting*
7 *report to the department by June 30. The report shall include an*
8 *accounting of all revenues and expenditures associated with the*
9 *special interest license plate program.*

10 (2) If an organization submits a report pursuant to paragraph
11 (1) indicating that the organization violated the expenditure
12 restriction set forth in subdivision (g), the department shall
13 immediately cease depositing fees in the fund created by the
14 Controller for that organization under paragraph (2) of
15 subdivision (e) and, instead, shall deposit those fees that would
16 have otherwise been deposited in that fund in a separate fund
17 created by the Controller, which fund is subject to appropriation
18 by the Legislature. The department shall immediately notify the
19 organization of this course of action. The depositing of funds in
20 the account established pursuant to this paragraph shall continue
21 until the organization demonstrates to the satisfaction of the
22 department that the organization is in compliance or will comply
23 with the requirements of subdivision (g). If one year from the
24 date that the organization receives the notice described in this
25 paragraph, the organization is still unable to satisfactorily
26 demonstrate to the department that it is in compliance or will
27 comply with the requirements of subdivision (g), the department
28 shall no longer issue or replace those special interest license
29 plates associated with that organization. Those particular special
30 interest license plates that were issued prior to the
31 discontinuation provided by this paragraph may continue to be
32 used and attached to the vehicle for which they were issued and
33 may be renewed, retained, or transferred pursuant to this code.

34 (3) Upon receiving the reports required under paragraph (1),
35 the department shall prepare and transmit an annual consolidated
36 report to the Legislature containing the revenue and expenditure
37 data.

38 (i) *For special interest license plate programs required under*
39 *this article by legislation that became effective on or before*
40 *January 1, 2006, an organization may apply to the department*

1 *for participation in one of those special interest license plate*
2 *programs and the department shall issue special license plates*
3 *for that program, if the sponsoring organization complies with*
4 *the requirements of this section and meets all of the criteria in*
5 *subdivision (a).*

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